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March 1, 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Donna R. Searcy, Secretary
Federal Communications Commission
1919 M Street, N.W.--Room 222
Washington, D.C. 20554

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MAR - 1 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

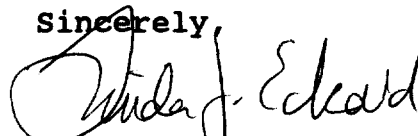
Re: MM Docket No. 92-317
Milford, Iowa

Dear Ms. Searcy:

Enclosed for filing are an original and six copies of a Motion to Enlarge the Issues filed by Milford Broadcasting Company. Attached to the Motion as Exhibit 6 is an affidavit from B. Benjamin Evans. The affidavit is signed by Mr. Evans and his signature has been attested to by a notary. However, only a copy of the affidavit is being filed today. The original affidavit will be filed as a supplement upon its arrival in Washington, D.C.

If there are any questions concerning this matter, please contact the undersigned counsel to Milford Broadcasting Company.

Sincerely,


Linda J. Eckard

cc: Hon. Edward Luton
Paulette Laden, Esq.
Richard F. Swift, Esq.

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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MAR - 1 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In re Applications of)	MM Docket No. 92-317
)	
MILFORD BROADCASTING CO.)	File No. BPH-911003MI
)	
SHARON A. MAYER)	File No. BPH-911004MG
)	
)	
For Construction Permit for a New)	
FM Station on Channel 271C2)	
in Milford, Iowa)	

To: Honorable Edward Luton
Administrative Law Judge

MOTION TO ENLARGE THE ISSUES

Milford Broadcasting Company (hereinafter "MBC"), by its counsel and pursuant to Section 1.229(b)(1) of the Commission's Rules, hereby respectfully moves to enlarge the issues in this proceeding relating to the application of Sharon A. Mayer (hereinafter "Mayer").¹ The qualifications of Mayer are in serious doubt due to substantial and material questions concerning her ability to construct and operate her proposed facility with the funds available to her. Appropriate issues

¹ This motion is timely filed pursuant to Sections 1.229(b)(1) and 1.4 of the Commission's Rules, which state that motions to enlarge issues are due within 30 days of the date of the Commission's release of the Hearing Designation Order. The HDO was released on January 29, 1993.

should be specified to explore Mayer's financial qualifications and the suitability of her proposed site for construction of a 469 foot tower. In support hereof, MBC states as follows:

MAYER'S FINANCIAL QUALIFICATIONS ARE INHERENTLY SUSPECT

1. The Commission requires that an applicant for a new facility be ready, willing and able to construct that facility and operate it for three months without revenue. The importance of this basic and fundamental requirement is underscored today by the numerous stations that have been forced into bankruptcy proceedings or that have ceased operating.² While financial qualifications have always been a basic requirement, the Commission concluded a few years ago that applicants for new facilities were failing to provide adequately for construction and operating costs. In an attempt to ensure that applicants present realistic proposals, the Commission instituted new requirements to require applicants to disclose their estimated costs of construction and operation for three months without revenue and the source of funding to cover those costs. Revision of Application for Construction Permit, 66 RR 2d 519 (1989). While Mayer has met the disclosure requirements, she has failed to offer a realistic proposal capable of being effectuated.

² In its decision revising the multiple ownership rules, the Commission noted that almost 300 stations were off the air. Revision of Radio Rules and Policies, 7 FCC Rcd 2755, 2760 (1992).

2. Mayer filed an application on October 4, 1991, seeking authority to construct a Class C2 facility. The engineering section of the application specifies a tower of 152 meters in height above ground (which is approximately 499 feet) and an antenna with an effective radiated power of 50 kilowatts. (See Exhibit 1, which has copies of Pages 1 and 2 of Section V-B from Mayer's October 4 application.) Mayer amended her technical proposal on February 28, 1992, to specify a different tower site. The engineering section of the amendment specifies a tower of 143 meters in height above ground (which is approximately 469 feet) and an antenna with an effective radiated power of 50 kilowatts. (See Exhibit 2, which has copies of Pages 1 and 2 of Section V-B from Mayer's February 28 amendment.) In both her original and amended technical proposals, Mayer stated that she did not intend to use an existing tower. (See Exhibits 1 and 2, Question 3 of Section V-B.) Therefore, Mayer has always intended to construct a new tower to be used in the operation of the new FM facility.

3. Question 2 of Section III of FCC Form 301 asks an applicant to "State the total funds you estimate are necessary to construct and operate the requested facility for three months without revenue." In response to that question, Mayer stated that she would require the total sum of \$174,650. (See Exhibit 3, which is a copy of Mayer's response to Question 2.) In response to Question 3, Mayer stated that her sole source of funding is a loan from Farmers Savings Bank in the amount of \$174,650. This amount is equal to what Mayer has estimated

for construction and operation. (See Exhibit 3.) Mayer has not amended her financial plan since October 4, 1991. And, in response to the standard production of documents required by Section 1.325 of the Commission's rules, Mayer submitted to MBC a copy of the letter from Farmer Savings Bank stating the availability of \$174,650. (See Exhibit 4.) Therefore, the total amount available to Mayer for the construction and operation of the Class C2 facility for three months without revenue is \$174,650.

4. The Commission has clearly stated what items should be included in preparing a budget for the construction and operation of a station for three months without revenue. Specifically, an applicant should include in construction costs: the tower; antenna system; RF generating equipment; monitoring and test equipment; program origination equipment; acquiring or leasing land and buildings; installation; shipping; supplies; and professional services. In calculating operating costs an applicant should include the costs of programming and exclude any advertiser-based or other revenues. (See Exhibit 5, which is a copy of Page 6 of the instructions from FCC Form 301.)

5. Careful analysis of Mayer's proposal shows clearly that her estimate is unrealistic. Her proposal cannot be effectuated as proposed, because it will cost well in excess of \$174,650 to construct and operate for three months without revenue. Attached as Exhibit 6 is an affidavit from B. Benjamin Evans, a qualified consulting

engineer, who has reviewed Mayer's proposal. Based upon his experience in constructing broadcast facilities, Mr. Evans concludes that it would cost a minimum of \$177,000 simply to construct (not to operate) a Class C2 facility of the type proposed by Mayer, assuming she obtained a generous discount from the equipment vendor, and it could cost as much as \$222,000, an amount that far exceeds what Mayer has estimated and the amount available to her. And, even that range of estimates excludes certain items deemed by the Commission to be essential to construction such as the purchase or lease of the site, installation of the studio equipment, and the means to connect the studio and transmitter sites.

6. Even assuming the lower estimate of \$177,000 is the minimum that Mayer will have to spend for construction, this exceeds the funds available to her leaving no funds to complete construction (including the items specified above) and operate the station for three months. And, the estimate of \$177,000 does not include the amount to be repaid the bank for the amount borrowed. The letter from the Farmers Savings Bank states that the loan would be payable in 60 equal monthly payments of principal and interest, that the interest rate would be the bank's base rate, which changes each month, and that repayment would begin one month after the station commences operation. (See Exhibit 4.) Even assuming a generously low interest rate of 6%, the payments to the bank would be approximately \$3,785 per month. Therefore, Mayer would have to include in her cost estimate the amount of \$7,570 to be repaid to the bank during the second and third months of operation. That amount

added to the lowest construction cost estimate equals \$184,570. In short, Mayer has offered a proposal which is unrealistic and cannot be effectuated because construction costs are in well excess of the funds available to her, leaving no additional funds for other essential known costs, such as loan repayments and operating the station. Even an experienced broadcast operator, and Mayer is not, cannot operate a station without money.

7. An issue to explore the viability of Mayer's financial qualifications should be added. Unrealistic cost estimates caused the Review Board to add an issue in United Broadcasting Co., Inc., 36 RR 2d 1556, 1564 (Rev. Bd. 1976), where statements submitted by an experienced broadcast professional raised a substantial question about the reasonableness of the applicant's cost estimates. See also Cavallaro Broadcasting Corp., 31 RR 2d 23 (Rev. Bd. 1974), where a difference between the construction estimates submitted by petitioner and relied upon by the applicant raised substantial questions whether sufficient funds had been allocated to construct and operate the facility. Also in J. Sherwood, Inc., 39 RR 2d 597 (Rev. Bd. 1976), the Board added a financial issue where there was a clear discrepancy between actual documented construction cost estimates provided by the petitioner and unsubstantiated cost figures relied upon by the applicant. Mayer's proposal is inherently suspect, making it necessary and appropriate to add an issue in this proceeding to explore the cost estimates upon which Mayer is relying and to determine, based upon those estimates, whether Mayer is financially qualified.

MAYER'S SPECIFIED SITE IS NOT SUITABLE

8. The Commission expects an applicant to ascertain that the site selected is both available to the applicant and that it is suitable for its intended purpose. The rationale behind this expectation is clear. The Commission does not want an applicant to engage in gamesmanship by specifying a site that may be preferable for comparative purposes but that is not actually suitable for the operation of the facility proposed by the applicant. Relying upon a site that is not suitable wastes scant Commission resources in analyzing that proposal.

9. The facts available to Mayer at the time she selected the site identified in the amendment filed February 28, 1992, clearly show that the site is not suitable for its intended purpose. Mayer was advised by her own engineering consultant that approximately 8 acres would be needed to construct a 500 foot tower. (See Exhibit 7 which is a copy of a letter from James D. Sadler to Sharon Mayer, dated September 10, 1991.) The area in which a tower could be located on the site that Mayer has selected for her 469 foot tower is approximately 6 acres in size. (See Exhibit 6 and Exhibit 8, which is a copy of the plat from the Dickinson County Auditor's Office for Mayer's specified site.)

10. According to Mr. Evans, a tower which is 469 feet high cannot

be constructed within the borders of the property specified by Mayer even assuming that construction is permitted along the edge of the property line -- which is unlikely based on Mr. Evans' experience that local ordinances typically require a setback of 50 feet from the boundaries of the property.³ (See Exhibit 6.) Even less property would be available if the tower has to be set back 469 feet from the road, a distance equal to the height of the tower. Local ordinances often restrict construction in that manner so as to protect life and property from danger should the tower collapse.

11. The facts are clear: Mayer's proposed tower is of a height that requires more land than is available to Mayer. Based upon these facts and Mr. Evans' analysis of them, there clearly is a need to explore the suitability of Mayer's site for construction of a 469 foot tower. It is appropriate to add a site suitability issue where a substantial question exists concerning the possibility of constructing a tower on the proposed site. In A.C. Elliott, 32 RR 2d 1128 (Rev. Bd. 1975), the Board concluded that the irregular shape of the property combined with the dimensions of the site rendered it unsuitable for construction of a tower of the size proposed by the applicant. Cf. El Camino Broadcasting Corporation, 12 RR 2d 1057 (Rev. Bd. 1968) and Athens Broadcasting Co., Inc., 12 RR 2d 285 (Rev. Bd. 1968) (dimensions of site were inconsistent with the size of the proposed tower). See also Rocket Radio, Inc., 31 RR 2d 1696 (Rev. Bd. 1974) (site suitability

³ Mr. Evans assumed a guying ratio of 70%, which is the standard used when constructing a tower.

issue added where question raised as to adequacy of size of site to support proposed tower) and DuPage County Broadcasting, Inc., 9 RR 2d 860 (Rev. Bd. 1967) (issue added where question raised about adequacy of proposed site to locate all components of an AM ground system).

CONCLUSION

12. Substantial and material questions have been raised concerning the reasonableness of the construction cost estimate relied upon by Mayer. And, the fact that construction costs would exceed Mayer's estimate casts serious doubt on her financial qualifications. In addition, the site selected by Mayer clearly is not suitable for construction of a tower of the height proposed. Due to the questions raised, the following issues should be specified against Mayer:

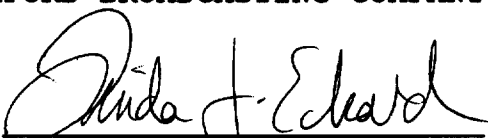
- (a) To determine whether Sharon A. Mayer was financially qualified to construct and operate the proposed station at Milford, Iowa, on October 2, 1991, when she certified affirmatively to her financial qualifications;
- (b) To determine whether Mayer misrepresented or lacked candor with the Commission in certifying that she was and is financially qualified to construct and operate the station for three months without revenue;
- (c) To determine whether Mayer is now financially qualified to construct and operate the station for three months without revenue;
- (d) To determine whether the site proposed by Mayer is suitable for its intended purpose;
- (e) To determine whether Mayer misrepresented or lacked candor with the Commission in certifying to the suitability of her proposed site; and

- (f) To determine, in light of the facts adduced pursuant to the foregoing issues, whether Mayer is qualified to be a Commission licensee.

Should the requested issues be added, MBC would seek to depose Sharon Mayer, James Sadler, Robert and Gertrude Smith (the owners of the property), Bob Hanson (the person Mayer contacted to arrange for the use of the site), and other individuals with knowledge of the facts, and would request that the documents described in Exhibit 9 to this motion be produced.

Respectfully submitted,

MILFORD BROADCASTING COMPANY

By: 
Linda J. Eckard

Roberts & Eckard, P.C.
1919 Pennsylvania Ave., N.W.
Suite 222
Washington, D.C. 20006

Its Attorneys

EXHIBIT 1

Section V-B - FM BROADCAST ENGINEERING DATA

FOR COMMISSION USE ONLY

File No. _____

ASB Referral Date _____

Referred by _____

Name of Applicant

Sharon A. Mayer

Call letters (if issued)

Is this application being filed in response to a window? ☒ Yes ☐ No

If Yes, specify closing date: October 7, 1991

Purpose of Application: (check appropriate box(es))

☒ Construct a new (main) facility

☐ Construct a new auxiliary facility

☐ Modify existing construction permit for main facility

☐ Modify existing construction permit for auxiliary facility

☐ Modify licensed main facility

☐ Modify licensed auxiliary facility

If purpose is to modify, indicate below the nature of change(s) and specify the file number(s) of the authorizations affected.

☐ Antenna supporting-structure height

☐ Effective radiated power

☐ Antenna height above average terrain

☐ Frequency

☐ Antenna location

☐ Class

☐ Main Studio location

☐ Other (Summarize briefly)

File Number(s) _____

1. Allocations

Channel No.	Principal community to be served:		
	City	County	State
271	Milford	Dickinson	IA

Class (check only one box below)

☐ A ☐ B1 ☐ B ☐ C

☒ C2 ☐ C1 ☐ C

2. Exact location of antenna.

(a) Specify address, city, county and state. If no address, specify distance and bearing relative to the nearest town or landmark. Approximately 1.6 km east of U.S. Route 71, 2.3 km NE of Milford in Dickinson Co., IA.

(b) Geographical coordinates (to nearest second). If mounted on element of an AM array, specify coordinates of center of array. Otherwise, specify tower location. Specify South Latitude or East Longitude where applicable; otherwise, North Latitude or West Longitude will be presumed.

Latitude	43	20	37	Longitude	95	07	50
----------	----	----	----	-----------	----	----	----

3. Is the supporting structure the same as that of another station(s) or proposed in another pending application(s)? ☐ Yes ☒ No

If Yes, give call letter(s) or file number(s) or both.

N/A

If proposal involves a change in height of an existing structure, specify existing height above ground level including antenna, all other appurtenances, and lighting, if any.

N/A

SECTION V-B - FM BROADCAST ENGINEERING DATA (Page 2)

4. Does the application propose to correct previous site coordinates?
If Yes, list old coordinates

☐ Yes ☒ No

Latitude	0	Longitude	0
----------	---	-----------	---

5. Has the FAA been notified of the proposed construction?

☒ Yes ☐ No

If Yes, give date and office where notice was filed and attach as an Exhibit a copy of FAA determination, if available.

Exhibit No.
N/A

Date September 24, 1991 Office where filed Central Regional Office

6. List all landing areas within 8 km of antenna site. Specify distance and bearing from structure to nearest point of the nearest runway.

Landing Area	Distance (km)	Bearing (degrees True)
(a) <u>Fuller</u>	<u>2.6</u>	<u>243.5</u>
(b) <u>Spirit Lake Municipal</u>	<u>4.9</u>	<u>352.1</u>

7. (a) Elevation: (to the nearest meter)

(1) of site above mean sea level: 437 meters

(2) of the top of supporting structure above ground (including antenna, all other appurtenances, and lighting, if any); and 152 meters

(3) of the top of supporting structure above mean sea level [(aX1) + (aX2)] 589 meters

- (b) Height of radiation center: (to the nearest meter) H - Horizontal; V - Vertical

(1) above ground 143 meters (H)

143 meters (V)

(2) above mean sea level [(aX1) + (bX1)] 580 meters (H)

580 meters (V)

(3) above average terrain 135 meters (H)

135 meters (V)

8. Attach as an Exhibit sketch(es) of the supporting structure, labelling all elevations required in Question 7 above, except item 7(b)(3). If mounted on an AM directional-array element, specify heights and orientations of all array towers, as well as location of FM radiator.

Exhibit No.
Tech.

9. Effective Radiated Power:

- (a) ERP in the horizontal plane

50 kw (H) 50 kw (V)

- (b) Is beam tilt proposed?

☐ Yes ☒ No

If Yes, specify maximum ERP in the plane of the tilted beam, and attach as an Exhibit a vertical elevational plot of radiated field.

Exhibit No.
N/A

 kw (H) kw (V)

-Polarization

EXHIBIT 2

Section V-B - FM BROADCAST ENGINEERING DATA

FOR COMMISSION USE ONLY

File No. _____

ASB Referral Date _____

Referred by _____

Name of Applicant

Sharon A. Mayer

Call letters (if issued)

Is this application being filed in response to a window? ☐ Yes ☒ No

If Yes, specify closing date: _____

Purpose of Application: (check appropriate boxes)

☒ Amend application to
☒ Construct a new (main) facility

☐ Construct a new auxiliary facility

☐ Modify existing construction permit for main facility

☐ Modify existing construction permit for auxiliary facility

☐ Modify licensed main facility

☐ Modify licensed auxiliary facility

If purpose is to modify, indicate below the nature of change(s) and specify the file number(s) of the authorizations affected.

☐ Antenna supporting-structure height

☐ Effective radiated power

☒ Antenna height above average terrain

☐ Frequency

☒ Antenna location

☐ Class

☐ Main Studio location

☐ Other (Summarize briefly)

File Number(s) ARN-911004MG

1. Allocation:

Channel No.	Principal community to be served:		
	City	County	State
271	Milford	Dickinson	IA

Class (check only one box below)

☐ A ☐ B1 ☐ B ☐ C3

☒ C2 ☐ C1 ☐ C

2. Exact location of antenna.

(a) Specify address, city, county and state. If no address, specify distance and bearing relative to the nearest town or landmark. State Rt. 86, 5.8 km south of State Rt. 9, 6.6 km NW of Milford, Dickinson Co., IA.

(b) Geographical coordinates (to nearest second). If mounted on element of an AM array, specify coordinates of center of array. Otherwise, specify tower location. Specify South Latitude or East Longitude where applicable; otherwise, North Latitude or West Longitude will be presumed.

Latitude	43°	22'	41"	Longitude	95°	11'	11"
----------	-----	-----	-----	-----------	-----	-----	-----

3. Is the supporting structure the same as that of another station(s) or proposed in another pending application(s)? ☐ Yes ☒ No

If Yes, give call letter(s) or file number(s) or both.

N/A

If proposal involves a change in height of an existing structure, specify existing height above ground level including antenna, all other appurtenances, and lighting, if any.

N/A

SECTION V-B - FM BROADCAST ENGINEERING DATA (Page 2)

4. Does the application propose to correct previous site coordinates?

☐ Yes ☒ No

If Yes, list old coordinates.

Latitude	°	'	"	Longitude	°	'	"
----------	---	---	---	-----------	---	---	---

5. Has the FAA been notified of the proposed construction?

☒ Yes ☐ No

If Yes, give date and office where notice was filed and attach as an Exhibit a copy of FAA determination, if available.

Exhibit No.
N/ADate February 26, 1992 Office where filed Central Regional Office

6. List all landing areas within 8 km of antenna site. Specify distance and bearing from structure to nearest point of the nearest runway.

Landing Area	Distance (km)	Bearing (degrees True)
(a) <u>Spirit Lake Mun.</u>	<u>4.0</u>	<u>74.7</u>
(b) <u>Fuller (AP)</u>	<u>5.5</u>	<u>155.9</u>
(c) <u>Dickinson Co. Mem. Hosp. (HP)</u>	<u>6.7</u>	<u>49.1</u>

7. (a) Elevation: (to the nearest meter)

(1) of site above mean sea level;	<u>460</u> meters
(2) of the top of supporting structure above ground (including antenna, all other appurtenances, and lighting, if any); and	<u>143</u> meters
(3) of the top of supporting structure above mean sea level [(a)(1) + (a)(2)]	<u>603</u> meters
(b) Height of radiation center: (to the nearest meter) H - Horizontal; V - Vertical	
(1) above ground	<u>134</u> meters (H)
	<u>134</u> meters (V)
(2) above mean sea level [(a)(1) + (b)(1)]	<u>594</u> meters (H)
	<u>594</u> meters (V)
(3) above average terrain	<u>150</u> meters (H)
	<u>150</u> meters (V)

8. Attach as an Exhibit sketch(es) of the supporting structure, labelling all elevations required in Question 7 above, except item 7(b)(3). If mounted on an AM directional-array element, specify heights and orientations of all array towers, as well as location of FM radiator.

Exhibit No.
Tech.

9. Effective Radiated Power:

(a) ERP in the horizontal plane

50.0 kw (H=) 50.0 kw (V=)

(b) Is beam tilt proposed?

☐ Yes ☒ No

If Yes, specify maximum ERP in the plane of the tilted beam, and attach as an Exhibit a vertical elevational plot of radiated field.

Exhibit No.
N/A kw (H=) kw (V=)

-Polarization

EXHIBIT 3

SECTION III - FINANCIAL QUALIFICATIONS

NOTE: If this application is for a change in an operating facility do not fill out this section.

1. The applicant certifies that sufficient net liquid assets are on hand or that sufficient funds are available from committed sources to construct and operate the requested facilities for three months without revenue.

☒ Yes ☐ No

2. State the total funds you estimate are necessary to construct and operate the requested facility for three months without revenue.

\$ 174,650.00

3. Identify each source of funds, including the name, address, and telephone number of the source (and a contact person if the source is an entity), the relationship (if any) of the source to the applicant, and the amount of funds to be supplied by each source.

Source of Funds (Name and Address)	Telephone Number	Relationship	Amount
Farmers Savings Bank Fostoria, Ia. Wayne J. Simington, Pres.	712-262-2708	Bank	\$174,650.00

EXHIBIT 4



FARMERS SAVINGS BANK

FOSTORIA, IOWA 51340

October 2, 1991

Mrs. Sharon A. Mayer
RR 1
Milford, Iowa 51351

Dear Mrs. Mayer:

In a recent visit to the Farmers Savings Bank you stated that you will be filing an application with the Federal Communications Commission to construct and operate a new FM broadcasting station, Channel 271C2, which would be located east of the city of Milford in Dickinson County, Iowa, and you inquired if financing might be available to you for this purpose.

Subject to provisions stated below the Farmers Savings Bank would look favorably to providing such financing to you in the amount of \$174,650.00 in the event that the Federal Communications Commission does award a permit to you.

The proposed financing would be contingent upon the following conditions:

1. Your being awarded a construction and operating permit.
2. Your executing and delivering to the bank a loan agreement promissory note, required loan and collateral documents and guarantees, all of which must be in form and substance satisfactory to the bank's council and loan committee.
3. Your loan must meet the bank's loan criteria that prevail at the time your specific loan request is made.



FARMERS SAVINGS BANK

FOSTORIA, IOWA 51340

Among other things the loan documents would provide the following:

1. The proceeds of the loan would be used solely for station related purposes.
2. The note form would be a variable rate "Master Note" with a stated maximum total amount of credit to be advanced. Advances would be made as funds were needed. Repayment would begin one month after commencement of operation of the station. The loan would be payable in 60 equal monthly payments. Payments would include both principal and interest. The interest rate, which would be the bank's base rate, would be variable and is set once each month.
3. The loan would be secured by all of the assets of the station and by such personal guarantees as may be required by the bank and which would be acceptable to the bank.

Sincerely,

Wayne J. Simington
Wayne J. Simington, Pres.

EXHIBIT 5

applicant is also attesting that it can and will meet all contractual requirements, if any, as to collateral, guaranties, donations, and capital investments. As used in Section III, "net liquid assets" means the lesser amount of the current assets or of the liquid assets shown on a party's balance sheet, with net current assets being the excess of current assets over current liabilities.

C. Documentation supporting the certification of financial qualifications need not be submitted with this application, but must be available to the Commission upon request. The Commission encourages that all financial statements used in the preparation of this application be prepared in accordance with generally accepted accounting principles.

D. (1)(a) The applicant must estimate the initial costs of constructing and operating the facility proposed in the application. The estimate for constructing the facility should include, but is not limited to, costs incurred for items listed below. In calculating costs for the items below, determine the costs for the items in place and ready for service, including amounts for labor, supervision, materials, supplies, and freight:

Antenna System (including antenna, antenna tower, transmission line, phasing equipment, ground system, coupling equipment and tower lighting);

RF Generating Equipment (including transmitter, tubes, filters, diplexer, remote control equipment, and automatic logger);

Monitoring and Test Equipment (including frequency monitor, modulation monitor, oscilloscope, dummy load, vectorscope, and video monitors);

Program Origination Equipment (including control consoles, film chains, cameras, audio tape equipment, video tape equipment, program and distribution amplifiers, limiters, and transcription equipment);

Acquiring Land;

Acquiring, Remodeling or Constructing Buildings;

Services (including legal, engineering, and installation costs); and

Other Miscellaneous Items (including mobile and STL equipment, non-technical studio furnishings, etc.)

(b) The estimate must also include the costs of operating the proposed facility for the first three months, including the costs of proposed programming, without relying on advertising or other revenues to meet operating costs. To arrive at an estimate of the total costs to be met by the applicant, the total construction costs should be added to the estimated cost of operation for three months.

(2) The applicant must also identify, in the application, its sources of funding for the construction and operation of the proposed facility for the first three months. For each source of funding, the applicant must identify the source's name, address, telephone number, a contact person if the source is an entity, the relationship (if any) of the source to the applicant, and the amount of funds to be supplied by the source. The total amount of funds to be supplied by all the sources listed should equal or exceed the estimated cost of construction and operation computed in accordance with paragraph (1) and stated in the application in response to Question 2, Section III.

The funding sources listed on the application should include, if applicable: existing capital, new capital, loans from banks (identified separately), loans from others (identified separately), profits for existing operations, donations, and net deferred credit from equipment suppliers (identified separately and determined by deducting from the deferred credit the down payment, payments to principal, and interest payments). (Note: if the first equipment payment is due upon shipment, the applicant must include five monthly payments; if due in 30 days, four monthly payments; if due in 60 days, three monthly payments, etc.)

(3) The applicant must also have on hand, at the time it files its application, BUT NEED NOT SUBMIT WITH THE APPLICATION, the following documentation:

(a) For the applicant:

A detailed balance sheet at the close of a month within 90 days of the date of the application showing the applicant's financial position.

A statement showing the yearly net income, after Federal income tax, for each of the past two years.

EXHIBIT 6